

Message Text

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ORIGIN XMB-07

INFO OCT-01 EA-11 ISO-00 EB-11 AGR-20 CIAE-00 INR-10

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FM SECSTATE WASHDC

TO AMEMBASSY MANILA

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C O R R E C T E D C O P Y (LINE OMITTED PARA ONE)

E.O. 11652 - N/A

TAGS: BPRO

SUBJECT: FCIA CREDIT INSURANCE REQUEST FOR SALES OF GRAIN TO
VARIOUS PHILIPPINE MILLS

1. CONTINENTAL GRAIN COMPANY, LARGE GRAIN EXPORTER INSURED BY
FCIA, REPORTS TO EXIMBANK IN CONNECTION WITH ITS SHIPMENTS
OF GRAIN TO VARIOUS PHILIPPINE MILLS, THAT PURSUANT TO A
"PRESIDENT'S LETTER OF INSTRUCTION", AVAILABLE TO CONTINENTAL'S
PHILIPPINE SALES REPRESENTATIVE, IT IS POSSIBLE FOR IMPORTING
PHILIPPINE MILL TO AVOID CERTAIN IMPORT DUTIES IF ALL DOCUMENTS
IN CONNECTION WITH A SHIPMENT ARE MADE SO AS TO NAME NATIONAL
GRAINS AUTHORITY, AN AGENCY OF GOP, TO BE THE BUYER OF THE PRODUCTS
EVEN THOUGH PRODUCTS ARE DESTINED FOR DELIVERY TO ONE OF THE
END-USER MILLS IN THE PHILIPPINES. ACCORDING TO CONTINENTAL,
NATIONAL GRAINS AUTHORITY WOULD ACCEPT EXPORTER'S DRAFTS BUT
WOULD REQUIRE EACH RESPECTIVE MILL END-USER TO CO-SIGN SAME,
AND THE MILL END-USER ALONE WOULD BE LEGALLY LIABLE TO PAY
CONTINENTAL UPON MATURITY OF DRAFT. UNDER THIS ARRANGEMENT,
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CONTINENTAL ALLEGES NATIONAL GRAINS AUTHORITY IS NO WAY

OBLIGATED TO PAY FOR PRODUCTS.

2. EXIMBANK WOULD APPRECIATE EMOASSY COMMENTS WITH RESPECT TO
FEASIBILITY AND LEGALITY OF ARRANGEMENT DESCRIBED ABOVE.
EXIMBANK INTEREST IN MATTER DERIVES FROM REQUEST BY CONTINENTAL
THAT FCIA APPROVE CREDIT INSURANCE AGAINST COMMERCIAL OR
POLITICAL DEFAULT OF END-USER MILL IN HONORING DRAFTS CO-
ACCEPTED BY MILL AND SAID AGENCY GOP. KISSINGER

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Message Attributes

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Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: garlanwa
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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Disposition History: n/a
Disposition Reason:
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Document Unique ID: 00
Drafter: COLIN. H. WEIR:EB
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ISecure: 1
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